

TITLE: HOME HEALTH CARE AND
REHABILITATION PRODUCTS

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SUMMARY

This report covers the market for importing home health care and medical rehabilitation products to Finland.

The total market for home health care and rehabilitation products is estimated at USD 40 million (FIM 250 million). The market is largely based upon public procurement due to the Finnish subsidized health care system. Municipalities are responsible for providing basic health care services to the residents in their area. They operate public health centers and hospitals that distribute home health care and rehabilitation products to their clients.

The market for home health care and rehabilitation products has decreased during the last five years due to government savings in health care. As a result, municipalities have had to cut down their spending on public health care services and procurement for new products. Procurement, which is done by annual bidding, is therefore focused on low-cost products and equipment that improve functional capacity such as wheelchairs, walking aids and bathroom equipment.

Direct imports from the United States are about 1-2 percent of the total market. European manufacturers such as Sweden, Germany and Great Britain are the market leaders.

A. MARKET HIGHLIGHTS AND BEST PROSPECTS

1. Market Profile

The Finnish health care is mostly based upon public health care system financed through taxation. Local authorities (municipalities) are responsible for providing basic public health care services and specialist medical care at little cost to the residents in their area. These include basic health care services such as access to emergency care, examination, treatment and rehabilitation. Over 45 percent of local authority expenditure are for health and social services.

Municipally owned public health centers are the backbone of the Finnish health care system. Home health care and rehabilitation products that are used to uphold and improve functional capacity are mostly distributed through public health centers and hospitals. In addition to public health care, health services and products are available from private or publicly subsidized organizations.

The total market for home health care and rehabilitation products is estimated at USD 40 million (FIM 250 million). The market has decreased during the last five years due to reduced government funding for municipalities. As a result, municipalities have cut down their health care product procurement. They are less willing to purchase small distinct technical aids and prefer to buy basic and more essential products and equipment such as wheelchairs and other low-cost products.

The import market for U.S. manufactured home health care and rehabilitation products is only about 1-2 percent of the total market. In general, U.S. products enjoy a reputation of being durable and affordable. However, the freight costs are expensive and the required shipment size for a single order is too big for the size of the Finnish market. Also, the design of some products, mainly small home health care aids, is considered outdated.

2. Statistical Data

There are no official statistics available.

Import market share for wheelchairs, 1999:

United States:	2 %
Sweden:	50 %
Germany:	30%
Others:	18%

3. Best Sales Prospects

Best sales prospects are different types of wheelchairs, walking aids, equipment designed to improve functional capacity, and bathroom equipment.

B. COMPETITIVE SITUATION

1. Domestic Production

Local production accounts for about 10 percent of the total market. Finns are very good at product development however, commercially viable products are difficult to produce due to small market size and high manufacturing costs. Exports are marginal and comprise mainly beds and wheelchairs.

There are some 10-12 local manufactures. The most successful and well-known companies are four wheelchair manufacturers, Merivaara Oy being the largest one, two companies that concentrate on custom-made products and one company dedicated to electronic wheelchair manufacturing. The rest of the local companies are small manufacturers of mostly bathroom and walking aids.

2. Third Country Imports

Sweden has a strong foothold in the market. Their share of wheelchair imports is about 50 percent and the same applies to the import of bathroom aids. Germany's import market share for the same product categories is about 30 percent. Other major importers of home health care and rehabilitation products are Great Britain and Denmark.

3. U.S. Market Position

Imports from the United States represents only about 1-2 percent of the total market. U.S. products in the market are mostly seeing aids and aids for the hearing impaired.

U.S. manufactured products are usually considered durable and affordable. However, shipping costs are considerable and U.S. manufacturers tend to prefer large shipping orders to small. Therefore, it is difficult to find the right balance with the Finnish buyers that cannot buy such large quantities of one product group due to small market. Also, the design of some product groups is considered outdated compared with European design. Besides functionality, design is also an important selling feature in Finland.

U.S. companies represented in the market through Finnish distributors include Sun Rise Inc. and Roho Inc. Some additional U.S. products are also available in the market through their European distributors.

C. END-USER ANALYSIS

Providing basic health care for all citizens and increasing equity of access to services have been the major responsibilities of the Finnish government. Similar to the other Scandinavian countries, public health services are mainly financed through taxation, and the share of costs paid by patients is small.

In 1997, the total health care expenditure was over USD 8 billion; 33 percent was spent on in-patient care, 41 percent on ambulatory care, 15 percent on medicines, and 11 percent on other services.

The Finnish primary health care is a mixture of public and private services but the role of the public sector is prominent; only 20 percent of health care visits are to private health care physicians.

Finland is divided into 21 health care districts. There are 5 university hospitals, 16 central hospitals, smaller regional hospitals, and hospital sections in subsidized health centers. There are about 300 hospitals or clinics with a total of 50,000 beds. Public hospitals are financed by the municipalities in the health care district in relation to the use of services by their inhabitants. About 18 percent of all hospitals are private.

The Primary Health Care Act (PHC Act) of 1972 reformed the planning of primary health services by establishing a network of health centers funded by municipalities. Currently there are 283 health centers that provide a range of local public services, including physician, x-ray, laboratory and dental services. Patients pay only a minimal fee (USD 9), which entitles them to use public health care services for the whole year.

All Finnish residents are covered by the National Health Insurance, which is financed by tax revenues. The insurance guarantees that citizens suffering from a long-term, chronic illness or disability receive medical treatment. As part of the National Health Insurance, the Finnish Health Care Reimbursement Plan covers a part of the costs for home health care and rehabilitation.

Finland is committed to enhance the life quality of even the most seriously handicapped or disabled persons that in other European countries would be hospitalized. Disabled persons are by law entitled to obtain equipment and products to assist them in their every day activities. Municipalities are required to provide the necessary equipment and products free of charge. The most common products available through health centers and hospitals are products that help and enable functional capacity. Products in this category

include wheelchairs, electric wheelchairs, and other walking aids.

Also, persons with severe disabilities whose functional capacity has deteriorated to a degree that performing ordinary everyday activities is difficult and strenuous are entitled for medical rehabilitation. The rehabilitation is based on a 1-3 year rehabilitation plan drawn up by the client and the rehabilitation unit or professional (health center, attending physician).

In addition to public health care and products provided by health centers and hospitals, a disabled person can also obtain technical aids from private insurance companies. The insurance company signs a financial obligation to pay for the product and the disabled person acquires it directly from a company.

The likelihood of disabled persons purchasing home health care products directly from the companies is increasing. Due to budget constraints, the variety and quality of products provided by the public health centers and hospitals is decreasing. As a result, especially elderly people are more willing to spend their own money to improve their functional condition.

Purchasing of home health care and rehabilitation products through mail order is not very common in Finland. There are only a few products that are offered through some mail order houses.

D. MARKET ACCESS

1. Import Climate

As a full member of the European Union (EU), Finland applies the EU external duty rates for home health care and rehabilitation products entering Finland from outside the Union. Customs procedures, including classification and valuation of imported goods entering Finland, are also governed by EU regulations.

CE-mark is mandatory. Obtaining a product certification from an official, well-known organization is common practice to enhance sales.

2. Distribution/Business Practices

Medical equipment for home health care or rehabilitation is mainly distributed through public health centers, on doctor's referral. Most of the equipment available is free of charge or there is a minimal cost involved.

Municipalities that operate public health centers have their own disability aids/device divisions that are the central procurement centers for home health care and rehabilitation products. Procurement is by annual bidding, which is done by product groups. Bidding information is published in the Official Journal of the European Union (EU) and in the Finnish Virallinen lehti - Official Journal, equivalent to the EU one.

Finnish buyers value quality, personal contacts, expertise in product knowledge, and good after-sales. Service contracts are also highly valued.

It is highly recommended to use a local distributor due to the specialized nature of the market.

3. Financing

Financial practices are the same as in most western European countries. Terms of payment are usually 14-30 days after invoicing.

4. Key Contacts

Major importers:

Algol Oy
P.O. Box 13
FIN-026111, Espoo, Finland
Tel: 358-9-509 91, fax: 358-9-5099 458
Internet: www.algol.fi
Contact: Ari Hannuksela, Product Manager, Nina Hoven,
Product Manager

ICF Group Oy
P.O. Box 25
FIN-00731 Helsinki, Finland
Tel: 358-9-346 2574, fax: 358-9-346 2576
Contact: Mr. Olavi Murros, Managing Director

Inva Apuvaline
Kumpulantie 1 A
FIN-00520 Helsinki, Finland
Tel: 358-9-229 540, fax: 358-9-2295 4404
Internet: www.inva-apuvaline.fi
Contact: Maija Nurmi, Managing Director

Proteesisaatio - Prosthetic Foundation
Tenholantie 12
FIN-00280 Helsinki, Finland
Tel: 358-9-856 0612, fax: 358-9-8560 6202
Internet: www.proteesisaatio.fi
Contact: Arto Tauria, Managing Director

Oriola - Kuulolaitekeskus Oy
Orionintie 5
FIN-02200 Espoo, Finland
Tel: 358-9-429 3300, fax: 358-9-429 3919
Internet: www.oriola.fi

PT-Keskus Oy
Malminkaari 9
FIN-00700 Helsinki, Finland
Tel: 358-9-350 7420, fax: 358-9-351 1903
Internet: www.ptkeskus.fi

Trehab Oy
Pulttitie 18
FIN-00880 Helsinki, Finland
Tel: 358-9-755 7377, fax: 358-9-785 448
Contact: Kaarina Lampen, Managing Director

Vestek Oy
Martinkuja 4
FIN-02270 Espoo, Finland
Tel: 358-9-887 0120, fax: 358-9-8870 1291

5. Trade Promotion Opportunities

Event: Apuvaline 2001 - Technical Aid 2001
Frequency: Every other year
Site: Tampere Fair Center - Pirkkahalli
Date: September 6-8, 2001
Organizer: Expomark
Internet: www.expomark.fi

Apuvaline 2001 is the only fair in Finland concentrating on technical aids for the disabled persons. The first fair was organized in 1989. In 1999 the fair had some 20,000 visitors. The Fair is divided between trade only (first two days) and the general public.

Event: The Finnish Medical Convention and Exhibition
Frequency: Annually
Site: Helsinki Fair Center
Date: January 7-11, 2001
Organizer: The Finnish Fair Corporation
Tel: +358-9-150 9274, fax: +358-9-142 358
www.finnexpo.fi

Finland's biggest medical and health care exhibition for physicians and other health care professionals. The latest products and services are at exhibit at the show.

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ISA Customer Satisfaction Survey

U.S. Department of Commerce
* International Trade Administration*
The Commercial Service

The U.S. Department of Commerce would appreciate input from U.S. businesses that have used this ISA report in conducting export market research. Please take a few moments to complete the attached survey and fax it to 202/482-0973, mail it to QAS, Rm. 2002, U.S. Department of Commerce, Washington, D.C. 20230, or Email: Internet[Opfer@doc.gov].

* * * About Our Service * * *

1. Country covered by report: _____
Commerce domestic office that assisted you (if applicable): _____
2. How did you find out about the ISA service?
__Direct mail
__Recommended by another firm
__Recommended by Commerce staff
__Trade press
__State/private newsletter
__Department of Commerce newsletter
__Other (specify): _____
3. Please indicate the extent to which your objectives were satisfied:
1-Very satisfied 2-Satisfied
3-Neither satisfied nor dissatisfied
4-Dissatisfied 5-Very dissatisfied
6-Not applicable

__Overall objectives
__Accuracy of information
__Completeness of information
__Clarity of information
__Relevance of information
__Delivery when promised
__Follow-up by Commerce representative
4. In your opinion, did using the ISA service facilitate any of the following?
__Decided to enter or increase presence in market
__Developed an export marketing plan
__Added to knowledge of country/industry
__Corroborated market data from other sources
__Decided to bypass or reduce presence in market
__Other (specify): _____
5. How likely would you be to use the ISA service again?
__Definitely would
__Probably would
__Unsure
__Probably would not

☐ Definitely would not

6. Comments:

* * * About Your Firm * * *

1. Number of employees: ☐ 1-99 ☐ 100-249 ☐ 250-499
☐ 500-999 ☐ 1,000+

2. Location (abbreviation of your state only): _____

3. Business activity (check one):

☐ Manufacturing

☐ Service

☐ Agent, broker, manufacturer's representative

☐ Export management or trading company

☐ Other (specify): _____

4. Export shipments over the past 12 months:

☐ 0-1 ☐ 2-12 ☐ 13-50 ☐ 51-99 ☐ 100+

May we call you about your experience with the ISA service?

Company name: _____

Contact name: _____

Phone: _____

Thank you--we value your input!

This report is authorized by law (15 U.S.C. 1512 et seq., 15 U.S.C. 171 et seq.). While you are not required to respond, your cooperation is needed to make the results of this evaluation comprehensive, accurate, and timely. Public reporting burden for this collection of information is estimated to average ten minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Reports Clearance Officer, International Trade Administration, Rm. 4001, U.S. Dept. of Commerce, Washington, D.C. 20230, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0625-0217), Washington, D.C. 20503.

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